



Underwritten by Continental Casualty Company

PO Box 13327  
Pensacola, FL 32591  
Phone: 1-877-838-8508  
Fax: 1-877-914-2358

September 3, 2020

KATHRYN C. DIMIDUK  
105 SIMSBURY DR  
ITHACA, NY 14850-1728

Long-Term Care Insurance Premium Adjustment Notice

Group Policy Holder Name: Cornell University  
Certificate Number: 10090-2686  
Reference Number: CSG0027462  
Insured: KATHRYN C. DIMIDUK

Dear KATHRYN C. DIMIDUK:

We are writing to notify you that the premium for your long-term care insurance coverage, issued by Continental Casualty Company, a CNA insurance company, will increase by 10.00%, with effect on your premium renewal date of December 1, 2020. The new quarterly premium payment will change from \$487.76 to \$536.54.

This premium increase is being implemented in accordance with the terms and conditions of your certificate and the laws and regulations of the state in which your certificate was issued. Please read this letter carefully in its entirety, and refer to the enclosed document entitled *Frequently Asked Questions*, which provides more information about this premium increase.

We understand a premium increase may be difficult for insureds, and that certain insureds may be unable or unwilling to pay the increased premium. Therefore, we are offering various options to help insureds minimize the effect of the premium increase. In addition, you may be eligible for a non-forfeiture benefit. The "What are my options?" section of this letter, and the enclosed document entitled *Frequently Asked Questions* provide detailed information about these options, including contact information for our Customer Service Team, who can assist in reviewing your options.

**About the premium increase**

Our long-term care certificates are written on a guaranteed renewable basis. This means, while the company cannot cancel coverage (except for non-payment of premium), it reserves the right to change premiums. The premium increase impacts a broad group of long-term care insurance customers, and is not based on any individual's personal factors, such as health status or claim history. We evaluated the factors which impact premium rates, including assumptions we make about the number of claims we expect to pay, the life expectancy of our insureds and the number of insureds who will retain their coverage. After an extensive review, we determined a premium increase is necessary to continue to meet the future needs of our certificate holders.

We anticipate an additional premium increase will be necessary beyond the increase(s) described in this letter, however, we do not presently know the date or amount of any future increase. In the event of a future increase, you will receive another advance notification of the effective date of any such increase.

**What are my options?**

- **You may continue your current coverage by paying the new premium.** You will need to make this payment through your established payment method on or before your premium renewal date of December 1, 2020. If you pay via electronic funds transfer ("EFT") or through your employer, the deduction will be adjusted to reflect the increased premium amount.
- **You may reduce coverage to help minimize the effect of the premium increase.** Possible coverage reduction options that might be available to you include:
  - Reducing the Daily Maximum Benefit
  - Reducing the Lifetime Maximum Benefit/Benefit Period
  - Dropping optional benefit features such as Automatic Inflation
- **You may execute the contingent non-forfeiture benefit.** In connection with this rate increase, you are being offered the opportunity to execute a contingent non-forfeiture benefit (CNF). This option allows you to retain reduced long-term care insurance benefits in the event you are unable or unwilling to pay your premium due to the premium increase. If you elect this option, no further premium payments will be due on or after the premium renewal date of December 1, 2020 and your Elimination/Waiting Period and Daily Maximum Benefits will remain the same, but your Lifetime Maximum Benefit/Benefit Period will be reduced as shown below. In order to be eligible for this benefit, you must pay all premiums due for periods of coverage up to the effective date of the premium increase.

	<b>Current</b>	<b>Impact of CNF</b>
Maximum Facility Daily Benefit	\$350.00	\$350.00
Lifetime Maximum Benefit	\$1,277,500.00	<b>\$20,105.74 *</b>
Premium after effective date of increase	\$536.54	Zero

**Please note:** Certificate data is based on our records as of August 27, 2020.

- \* The Reduced Lifetime Maximum Benefit is the greater of 100% of the total premiums you have paid, or 30X the Maximum Facility Daily Benefit. However, the total of all benefits payable under this certificate, including this CNF Benefit, will not exceed the amount that would have been payable under your certificate if you had continued to pay the premium.

If you wish to accept the Reduced Lifetime Maximum Benefit, you must cancel your certificate within 120 days following the premium increase effective date. You may cancel your certificate either by writing to us or by not paying your increased premium and allowing your certificate to lapse. **However you must pay all premiums due up to the effective date of the rate increase.** You will not be able to reinstate your original Lifetime Maximum Benefit/Benefit Period. If you lapse your certificate after the 120-day window following the effective date of the premium increase, you will not qualify for Contingent Non-Forfeiture benefits.

- **You may execute the non-forfeiture benefit in your certificate, subject to qualification.** If you elect this option, no further premium payments will be due after the premium renewal date of December 1, 2020 and your benefits will be reduced as described in your certificate. If you wish to consider this option and would like to know the amount of your reduced benefits please contact our Customer Service Team at 1-877-838-8508.

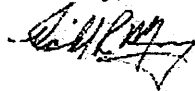
As multiple benefit options are available to you, please contact our Customer Service Team at 1-877-838-8508 if you would like to learn more about each of these options. Should your certificate lapse for non-payment of premium within 120 days after the premium increase effective date and you have not elected a non-forfeiture benefit option, the option with the greatest value will be deemed elected.

**Tell us what decision is right for you.**

We encourage you to carefully evaluate your individual situation, as well as the current and projected cost of care in your area, before selecting any of the options discussed above. Please note not all of your options may be of equal value.

Should you wish to explore the options available to you, please contact our Customer Service Team at 1-877-838-8508. We are available Monday through Friday, 7:00am-7:00pm CST, and would be happy to assist you. As a reminder, we have also included a Frequently Asked Questions document for your review.

Sincerely,



Richard R. Mourey  
Director-Operations

## Premium Increase Frequently Asked Questions

### 1. Why are you raising long-term care insurance premium rates?

We monitor our long-term care certificates to make sure we will be able to meet our future claim obligations. The premiums we charge are influenced by a number of factors, including assumptions we make about the number of claims we expect to pay, the life expectancy of our insureds, and the number of insureds who will lapse their coverage. When we initially set rates, our assumptions were based upon the available information at the time. Our actual experience has been materially different than our original assumptions. This difference has resulted in changes to the assumptions we use to project future experience, and the premium necessary to keep pace with the expected future experience. Unfortunately, the experience trends we, as well as the long-term care insurance industry generally, are seeing necessitate us to raise premium rates.

### 2. Where does my certificate state you can increase my premiums?

Our long-term care certificates are written on a guaranteed renewable basis. This means, while we cannot cancel coverage (except for nonpayment of premium), we reserve the right to change premiums. This right is set forth on the first page of the long-term care certificate.

### 3. What options do I have to minimize the impact of the premium increase?

**[NOTE: Keep in mind that not every potential option change listed or discussed below may be available in every state or to every certificate holder.]** There may be an opportunity to adjust benefit features to moderate the impact of the premium increase. Below is a general description of the features, and how they may be adjusted. Please call the Customer Service Team at 1-877-838-8508 for more details on benefit reduction options available to you.

**Daily Maximum Benefit Amount:** This is the dollar amount specified on your certificate which represents the maximum benefit we will pay on a daily basis. Reducing this amount will reduce the amount per day that we will pay for covered services. Reducing your Maximum Daily Benefit Amount will reduce your premium.

**Lifetime Maximum Benefit/Benefit Period:** This is the total dollar amount of benefits that can be paid or the total period of time for which benefits will be paid under the terms of the certificate. The amount shown in the schedule may not reflect the current amount available to you in the future. (e.g. It may be too high if you have had claims paid in the past, or it may be too low if you have inflation protection). Reducing the lifetime maximum benefit/benefit period will reduce your premium.

**Optional Benefit:** This is a benefit you may or may not have purchased at the time you purchased your coverage. One example of an optional benefit you may have purchased is inflation protection. If you cancel an inflation protection rider, you will reduce your premium.

Your particular certificate may have additional features which can be adjusted as well. It is important to carefully consider what these changes will mean to your long-term care coverage needs. We are not permitted to provide you with advice on your coverage or recommend whether a particular benefit reduction option is appropriate for you. If you have questions, we recommend you discuss your benefit reduction options with your financial advisor or insurance agent.

**4. Will you raise premiums again?**

We anticipate an additional premium increase will be necessary beyond the increase(s) described in this letter, however, we do not presently know the date or amount of any future increase. In the event of a future increase, you will receive another advance notification of the effective date of any such increase.

**5. Are you raising premiums because certificate holders are older and sicker now?**

The premium increase impacts a broad group of long-term care insurance customers, and is not based on any individual's personal factors, such as health status or claim history. We thoroughly evaluated the factors which impact premium rates, including assumptions we make about the number of claims we expect to pay, the life expectancy of our insureds and the number of insureds who will lapse their coverage. After this extensive review, we determined a premium increase is necessary to continue to meet the future needs of our certificate holders.

**6. Will the premium rate increase be effective for everyone?**

Since Continental Casualty Company (CCC) must receive approval or authorization from certain states prior to implementing an increase, it is possible that these states will not approve or authorize the same percentage increase or authorize an increase at the same time. It is also possible some states may deny CCC's request for an increase, or require it be reduced or spread over multiple years. In addition, impacted certificate holders have different premium due dates and have different premium billing mechanisms. Premium increases will be staggered in accordance with the timing of regulatory approvals or authorizations and method of premium payment.

**7. Will lowering the certificate coverage affect the tax-qualified status?**

In most instances, lowering certificate coverage will not affect the tax-qualified status. However, the tax-qualified or grandfathered status of your certificate could be affected in the event you elect to reduce your coverage below the minimum thresholds required by law for tax qualified policies. We recommend that you discuss this with your tax or financial advisor to determine any tax implications that may result from this reduction in benefits, as well as to assist in making the best decision for you.

**8. What happens if I do not pay the increased premiums?**

As stated in your certificate, if you don't pay the increased premiums, your certificate will lapse, and therefore terminate, unless you exercise a non-forfeiture benefit (if available) in accordance with the terms and conditions of your certificate.

**9. I did not use my coverage; can I cancel my certificate and get all my premiums back?**

Please refer to your certificate, or call the Customer Service Team at 1-877-838-8508 to determine if a return of premium option is available to you.

**10. Why didn't my Inflation Protection Benefit Increase rider protect me from this premium increase?**

The Inflation Protection Benefit Increase rider increases your benefit levels on a periodic basis over the life of your certificate. It does not provide any type of protection or guarantee regarding your premiums.



P.O. Box 13327  
Pensacola, FL 32591  
Phone: 1-800-262-4580  
Fax: 1-877-914-2358

November 3, 2021

KATHRYN C. DIMIDUK  
105 SIMSBURY DR  
ITHACA, NY 14850-1728

**Re: Your Long-Term Care Coverage**

As a participant in the Group Long-Term Care program, you have taken an important step toward preparing for the possibility that you will need long-term care services in the future. To help you maintain your protection, your long-term care program contains a feature that provides periodic opportunities for you to increase your daily benefit amount without medical underwriting.

The following table shows your current daily benefit level and premium. It also shows the new daily benefit option available to you at this time and the corresponding premium. If you pursue the below offer, your lifetime maximum benefit will increase in proportion to your new daily benefit. Please take a few minutes to review this information and think about whether it makes sense to increase your level of protection.

As you decide whether to pursue this offer, we want to make you aware that the company is in the process of implementing rate increases. In the event of a future increase on your policy, you will receive advance notification of the effective date and amount of any such increase.

Current Daily Benefit	Current Quarterly Premium	New Daily Benefit	New Quarterly Premium
\$350.00	\$536.54	\$406.00	\$723.24

To pursue this offer and increase your coverage, simply sign the form enclosed with this letter and return it to CNA in the return envelope within 30 days of the date of this letter. Your coverage increase will go into effect on January 1, 2022.

Continental Casualty Company provides the products and/or services described. The information is intended to present a general overview for illustrative purposes only. It is not intended to constitute a binding contract. Please remember that only the relevant insurance policy can provide the actual terms, coverage's, amounts, conditions, and exclusions for an insured. All products and services may not be available in all states and may be subject to change without notice. CNA is a registered trademark of CNA Financial Corporation. Copyright 2014 CNA. All rights reserved.





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If you do not wish to increase your coverage, no further action is needed on your part. You will receive similar offers in the future, but you may need to provide evidence of good health to increase your coverage. If you have any questions, please refer to your certificate of coverage or call CNA's Customer Service Department toll-free at 1- 800-262-4580.

Please note the premium amounts are approximate and are not guaranteed. Once the change in benefits is requested and administered, you will receive a confirmation which will reflect the actual premium. The enclosed offer is valid for 30 days from the date of this letter. Keep in mind the request for additional coverage does not change your premium renewal date. **Any premium notice received must be paid to keep your policy active.**

Thank you for participating in the group long-term care program. We look forward to serving you in the future.

Sincerely,

Long Term Care  
Operations Team

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**GROUP LONG-TERM CARE PROGRAM  
REQUEST FOR COVERAGE INCREASE**

November 3, 2021

**KATHRYN C. DIMIDUK**  
105 Simsbury Dr  
Ithaca, NY 14850-1728

Insured: **KATHRYN C. DIMIDUK**  
Reference Number: **CSG0027462**  
Certificate: **10090-2686**

**Please increase my daily maximum benefit from \$350.00 to \$406.00. I understand that my new premium will be \$723.24 quarterly.**

**Please check one, I am an actively at work employee or the spouse of an actively at work employee at Cornell University:**

☐ **Yes**

☐ **No**

\_\_\_\_\_  
**Signature of Insured Individual**

\_\_\_\_\_  
**Date**

**You must sign this form and return it to CNA at the address listed below within 30 days from the date of this letter. For your convenience, please use the enclosed return envelope.**

**CNA Insurance  
P.O. Box 13327  
Pensacola, FL 32591**

**If you have any questions, please call CNA at 1-800-262-4580.**